Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 268	3			
Bill #: HB 201				
Bill Subject/Title:	AN ACT relating to motor vehicle usage tax and declaring an emergency.			
Sponsor: Represen	tative Linda Belcher			
Unit of Government:	City X County Urban-County Unified Local Charter County Consolidated Local Government			
Office(s) Impacted:	County Clerks			
Requirement: X	Mandatory Optional			
Effect on Powers & Duties:	Modifies Existing Adds New Eliminates Existing			
Part II: Purpose and Mechanics				

The proposed legislation exempts transfers between siblings and stepsiblings from the motor vehicle usage tax.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The proposed legislation expands the classes of related individuals that may transfer a motor vehicle without paying the motor vehicle transfer tax to include transfers between siblings. County clerks receive a 3% commission on the amount of motor vehicle transfer taxes collected, so an expansion in the number of exempt transactions will result in less money for county clerks. Since there is no way to know how many vehicles have historically been transferred between siblings, it is not possible to determine the fiscal impact, however it is **expected that the impact will be small**. It should be noted that a transfer among siblings could be accomplished tax free under existing law by sibling 1 transferring the vehicle to a parent, with the parent then transferring the vehicle to sibling 2 as parent/child transfers are already exempt.

Data Source(s):					
Preparer: Pam Thomas	Reviewer:	JWN	Date:	1/12/16	